

ORIGINAL

OPEN MEETING AGENDA ITEM



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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
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MIKE GLEASON
CHAIRMAN
WILLIAM A. MUNDELL
COMMISSIONER
JEFF HATCH-MILLER
COMMISSIONER
KRISTIN K. MAYES
COMMISSIONER
GARY PIERCE
COMMISSIONER

IN THE MATTER OF THE APPLICATION OF
ARIZONA-AMERICAN WATER COMPANY,
INC., AN ARIZONA CORPORATION, FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASES IN ITS
RATES AND CHARGES BASED THEREON
FOR UTILITY SERVICE BY ITS PARADISE
VALLEY WATER DISTRICT.

Docket No. W-01303A-05-0405

Arizona Corporation Commission

DOCKETED

OCT 22 2008

DOCKETED BY 

IN THE MATTER OF THE APPLICATION OF
ARIZONA-AMERICAN WATER COMPANY
FOR APPROVAL OF AN AGREEMENT
WITH THE PARADISE VALLEY COUNTRY
CLUB.

Docket No. W-01303A-05-0910

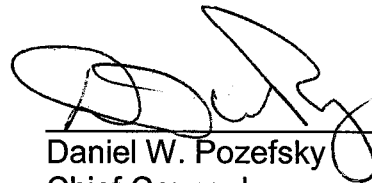
NOTICE OF FILING OF COMMENTS ON STAFF'S RECOMMENDATION OF
APPROVAL OF ARSENIC COST RECOVERY SURCHARGE

The Residential Utility Consumer Office ("RUCO") hereby provides notice of filing of Comments on Staff's transmittal memorandum and proposed order dated September 16, 2008.

RUCO prepared the Comments and was under the mistaken belief that the Comments were filed with Docket Control on October 6, 2008. RUCO has received several requests for the Comments by parties who claim they never received the

1 Comments. RUCO looked further into it and the Comments do not appear in docket
2 control. RUCO is refilling its Comments and providing copies to all of the parties and the
3 Commissioners. RUCO apologizes for any inconvenience caused by its mistaken belief
4 that the Comments were filed.

5
6 RESPECTFULLY SUBMITTED this 22nd day of October, 2008.

7
8 
9 Daniel W. Pozefsky
10 Chief Counsel

11 AN ORIGINAL AND FIFTEEN
12 COPIES of the foregoing filed this
13 22nd day of October, 2008 with:

14 Docket Control
15 Arizona Corporation Commission
16 1200 West Washington Street
17 Phoenix, Arizona 85007

18 COPY of the foregoing hand delivered/
19 mailed this 22nd day of October, 2008 to:

20 Teena Wolfe
21 Administrative Law Judge
22 Arizona Corporation Commission
23 1200 West Washington Street
24 Phoenix, Arizona 85007

Janice Alward, Chief Counsel
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Ernest G. Johnson, Director
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Craig Marks
Craig A. Marks, PLC
10645 N. Tatum Blvd.
Suite 200-676
Phoenix, Arizona 85028

1 Gary Yaquinto
2 Arizona Investment Council
3 2100 North Central Avenue, Suite 210
4 Phoenix, Arizona 85004

5 Thomas M. Broderick, Manager
6 Government and Regulatory Affairs
7 Arizona-American Water Company
8 19820 N. 7th Street, Suite 201
9 Phoenix, Arizona 85024

10 Miles H. Kiger, Rate Analyst
11 Arizona-American Water Company
12 19820 N. 7th Street, Suite 201
13 Phoenix, Arizona 85024

14 By Cheryl Fraulob
15 Cheryl Fraulob
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24

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 MIKE GLEASON
3 CHAIRMAN

4 WILLIAM A. MUNDELL
5 COMMISSIONER

6 JEFF HATCH-MILLER
7 COMMISSIONER

8 KRISTIN K. MAYES
9 COMMISSIONER

10 GARY PIERCE
11 COMMISSIONER

12 IN THE MATTER OF THE APPLICATION OF
13 ARIZONA-AMERICAN WATER COMPANY,
14 INC., AN ARIZONA CORPORATION, FOR A
15 DETERMINATION OF THE CURRENT FAIR
16 VALUE OF ITS UTILITY PLANT AND
17 PROPERTY AND FOR INCREASES IN ITS
18 RATES AND CHARGES BASED THEREON
19 FOR UTILITY SERVICE BY ITS PARADISE
20 VALLEY WATER DISTRICT.

Docket No. W-01303A-05-0405

21 IN THE MATTER OF THE APPLICATION OF
22 ARIZONA-AMERICAN WATER COMPANY
23 FOR APPROVAL OF AN AGREEMENT
24 WITH THE PARADISE VALLEY COUNTRY
25 CLUB.

Docket No. W-01303A-05-0910

26 **RUCO'S COMMENTS ON STAFF'S RECOMMENDATION OF APPROVAL OF**
27 **ARSENIC COST RECOVERY SURCHARGE - PARADISE VALLEY DISTRICT**

28 The Residential Utility Consumer Office ("RUCO"), hereby files its Comments on
29 Staff's transmittal memorandum and proposed order dated September 16, 2008.

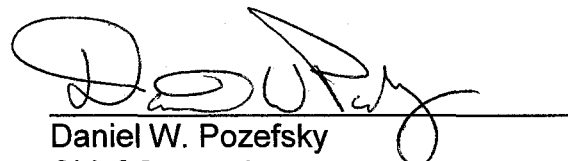
30 Staff is recommending the approval of Arizona American Water Company's
31 ("Company") request for the Step-Two Arsenic Cost Recovery Mechanism ("ACRM")
32 surcharge. The Step-Two surcharge provides recovery for the operating and maintenance
33 ("O&M") costs associated with the arsenic treatment plan. The surcharge also includes the
34

1 recovery of \$2,587,299 of plant that was not included in the Company's original Step-One
2 filing.

3 The Commission, in Decision No. 66400 (Arizona Water Company, Northern
4 Group's ACRM) established the template upon which the Commission has approved
5 ACRM requests ever since. The ACRM mechanism was the result of meetings among the
6 parties in that matter whose purpose was to design a mechanism to recover the significant
7 costs of treating arsenic. The Commission ultimately approved a two-step process
8 wherein water providers were allowed to recover their capital costs in Phase I and certain
9 O&M costs in Phase II. See attached Decision 66400 at 20.

10 Staff's recommendation in this case allows for the recovery of certain additional
11 capital costs that were not included in the original Step-One filing, and should therefore be
12 excluded from consideration. RUCO does not oppose any of Staff's other
13 recommendations in this matter.

14
15 RESPECTFULLY SUBMITTED this ^{22nd} 6th day of October, 2008.

16
17
18 
Daniel W. Pozefsky
Chief Counsel

19
20 AN ORIGINAL AND FIFTEEN
21 COPIES of the foregoing filed this
22 6th day of October, 2008 with:

23 Docket Control
24 Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

1 COPY of the foregoing hand delivered/
2 mailed this ²²6th day of October, 2008 to:

3 Teena Wolfe
4 Administrative Law Judge
5 Arizona Corporation Commission
6 1200 West Washington Street
7 Phoenix, Arizona 85007

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19820 N. 7th Street, Suite 201
Phoenix, Arizona 85024

By Cheryl F. Faulob
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